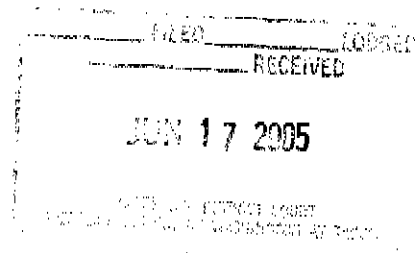


05-CV-05406-CMP

1 Keith D. Karnes, WSB # 35000
 2 Olsen, Olsen & Daines
 3 1599 State St.
 4 P.O. Box 12829
 5 Salem, OR 97309-0829
 6 (503)362-9393



7
 8 IN THE UNITED STATES DISTRICT COURT
 9 FOR THE WESTERN DISTRICT OF WASHINGTON

10 LARRY SWEATT,

Case No.

C05 5406 JKA

11 Plaintiff,

12 v.

Complaint for Violation of Fair Debt
 Collection Practices Act.

13 SUNKIDD VENTURE, INC., dba
 14 AMERICAN BONDED COLLECTION
 15 SPECIALIST; and DUVALL CRAIG R,
 16 dba CRESTWOOD CONSTRUCTION,

JURY REQUESTED

17 Defendants.

18 **COMPLAINT AND DEMAND FOR JURY TRIAL**

19 **I. INTRODUCTION**

20 1. This is an action for actual and statutory damages brought by Plaintiff, Larry
 21 Sweatt, an individual consumer, against Defendants, Sunkidd Venture, Inc., dba American
 22 Bonded Collection Specialist; and Duvall Craig R dba Crestwood Construction, for
 23 violations of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq* (herein
 24 "FDCPA"), which prohibits debt collectors from engaging in abusive, deceptive, and unfair
 25 practices.

QSSD
 #513487

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II. JURISDICTION

2. Jurisdiction of this Court arises under 15 U.S.C. § 1692k(d) and 28 U.S.C. § 1337.

Venue in this District is proper because Defendants conduct business in Western Washington and the conduct complained of occurred within the District.

III. PARTIES

3. Plaintiff is a natural person residing in Bremerton, Washington.

4. Defendant Sunkidd Venture, Inc., dba American Bonded Collection Specialist (herein "ABC") is a Washington corporation engaged in the business of collecting debts in Washington with its principal place of business located in Spokane Valley, Washington. The principal purpose of Defendant ABC is the collection of debts in this state and Defendant ABC regularly attempts to collect debts alleged to be due another.

5. Defendant Duvall Craig R, dba Crestwood Construction (herein "Crestwood") is a sole proprietor engaged in the business of renting apartments in Washington with its principal place of business located in Tacoma, Washington.

6. Defendant ABC is engaged in the collection of debts from consumers using the telephone. Defendant ABC regularly attempts to collect consumer debts alleged to be due to another. Defendant ABC is a "debt collector" as defined by the FDCPA, 15 U.S.C. § 1692a(6).

7. Defendant Crestwood is a "creditor" as defined by the FDCPA, 15 U.S.C. § 1692a(4).

8. Plaintiff is a "consumer" as defined by the FDCPA, 15 U.S.C. § 1692a(3).

///

///

IV. FACTUAL ALLEGATIONS

9. On or around April 19, 2002, Plaintiff sent check number 1691 in the amount of \$168.30 to Defendant Crestwood to pay the remaining balance due for cleaning fees Plaintiff had incurred. (Exhibit A.)

10. On March 23, 2004, Plaintiff received a billing statement in an attempt to collect a debt from Defendant ABC in regards to the paid debt mentioned paragraph nine. (Exhibit B.)

11. On April 1, 2004, Plaintiff received a second billing statement from Defendant ABC which included a breakdown of Plaintiff's balance due. (Exhibit C.)

12. On April 7, 2004, Plaintiff sent a letter to Defendant ABC informing Defendant ABC debt to Defendant Crestwood was paid in full with an attached letter from Defendant Crestwood also stating debt was paid in full. (Exhibit D.)

13. Plaintiff received a letter from Defendant ABC dated April 12, 2004 informing Plaintiff the file regarding the debt was closed pursuant to Defendant Crestwood's request. (Exhibit E.)

14. Plaintiff received a credit report from credit reporting agency Trans Union dated July 22, 2004 in which Defendant ABC was still listed as an open account with a balance due of \$210.00 and past due \$210.00. (Exhibit F.)

15. Plaintiff received a credit report from credit reporting agency Equifax dated July 28, 2004 in which Defendant ABC was still listed as an open account with a balance due of \$210.00. (Exhibit G.)

///

///

16. Defendant ABC filed a Universal Data Form to credit reporting agencies Equifax, Trans Union, and Experian on July 28, 2004 deleting account information from Plaintiff's credit reports. (Exhibit H.)

17. Plaintiff has been denied a loan because of Defendant ABC's negligence and erroneous credit reporting. (Exhibit I.)

V. CLAIM FOR RELIEF

Claim One

18. Defendant ABC and Crestwood's actions in failing to report to the major credit reporting agencies that Plaintiff's debt was paid in full is a violation of the FDCPA, 15 U.S.C. 1692e(2)(a).

19. Defendant ABC and Crestwood's action has caused Plaintiff damages in the form of embarrassment, emotional distress, lowered credit scoring, denial of credit, and attorney fees.

Claim Two

20. Defendant ABC and Crestwood's actions in failing to report to the major credit reporting agencies that Plaintiff's debt was paid in full is a violation of the FDCPA, 15 U.S.C. 1692e(8).

21. Defendant ABC and Crestwood's action has caused Plaintiff damages in the form of embarrassment, emotional distress, lowered credit scoring, denial of credit, and attorney fees.

///

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Claim Three

20. Defendant Crestwood's action in reporting Plaintiff's account as delinquent to Defendant ABC when Defendant Crestwood had actual knowledge that Plaintiff had paid the account in full is a violation of the FDCPA, 15 U.S.C. 1692e(2)(a).

21. Defendant Crestwood's action has caused Plaintiff damages in the form of embarrassment, emotional distress, lowered credit scoring, denial of credit, and attorney fees.

Claim Four

22. Defendant Crestwood's action in reporting Plaintiff's account as delinquent to Defendant ABC when Defendant Crestwood had actual knowledge that Plaintiff had paid the account in full is a violation of the FDCPA, 15 U.S.C. 1692e(8).

23. Defendant Crestwood's action has caused Plaintiff damages in the form of embarrassment, emotional distress, lowered credit scoring, denial of credit, and attorney fees.

24. As a result of the foregoing violations of the FDCPA, Defendants are liable to the Plaintiff for declaratory judgment the Defendants' actions violated the FDCPA, actual damages, statutory damages, and costs and attorney's fees.

WHEREFORE, Plaintiff Larry Sweatt respectfully requests that judgment be entered against Defendants as follows:

- A. Declaratory Judgment that Defendants actions violated the FDCPA;
- B. Actual Damages in the amount of \$50,000.00;
- C. Statutory Damages pursuant to 15 U.S.C. § 1692k in the amount of \$1,000.00;

///

///

///

1 D. Costs and reasonable attorney's fees pursuant to 15 U.S.C. § 1692k; and

2 E. For such other relief that the Court may deem just and proper.

3
4 DATED June 13, 2005

5 
6 Keith D. Karnes WSB # 35000
Attorney for Plaintiff

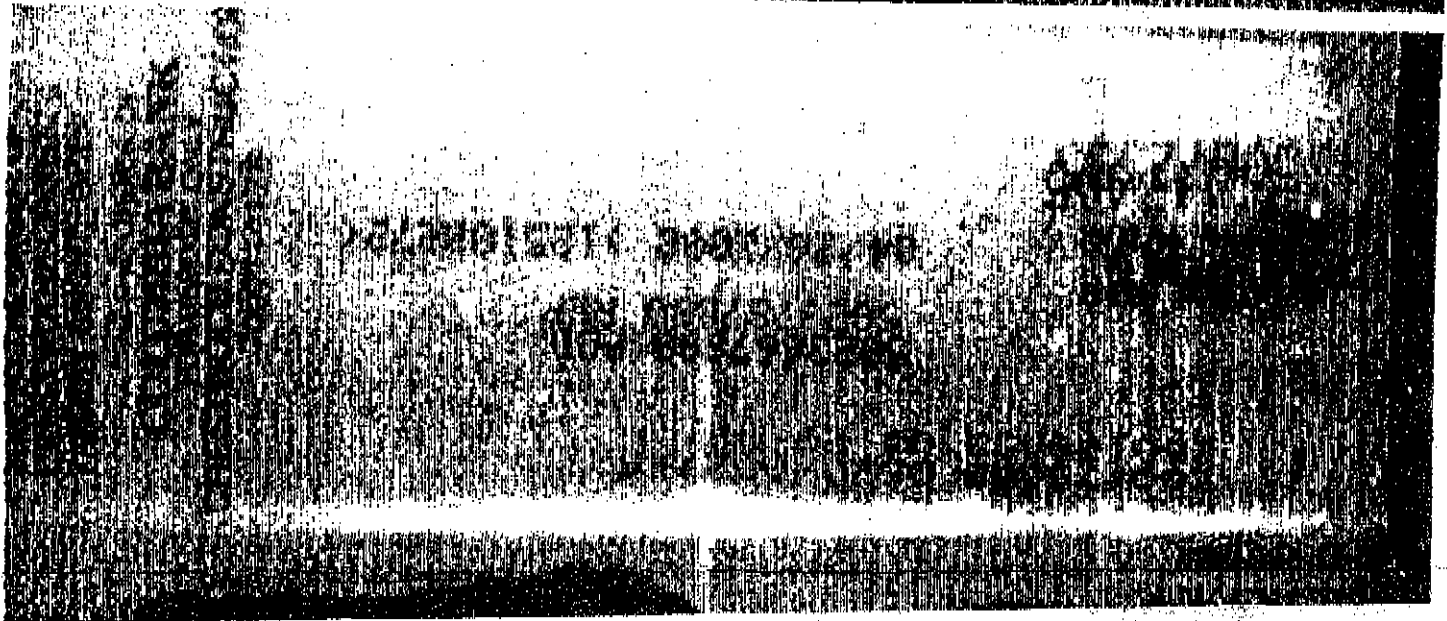
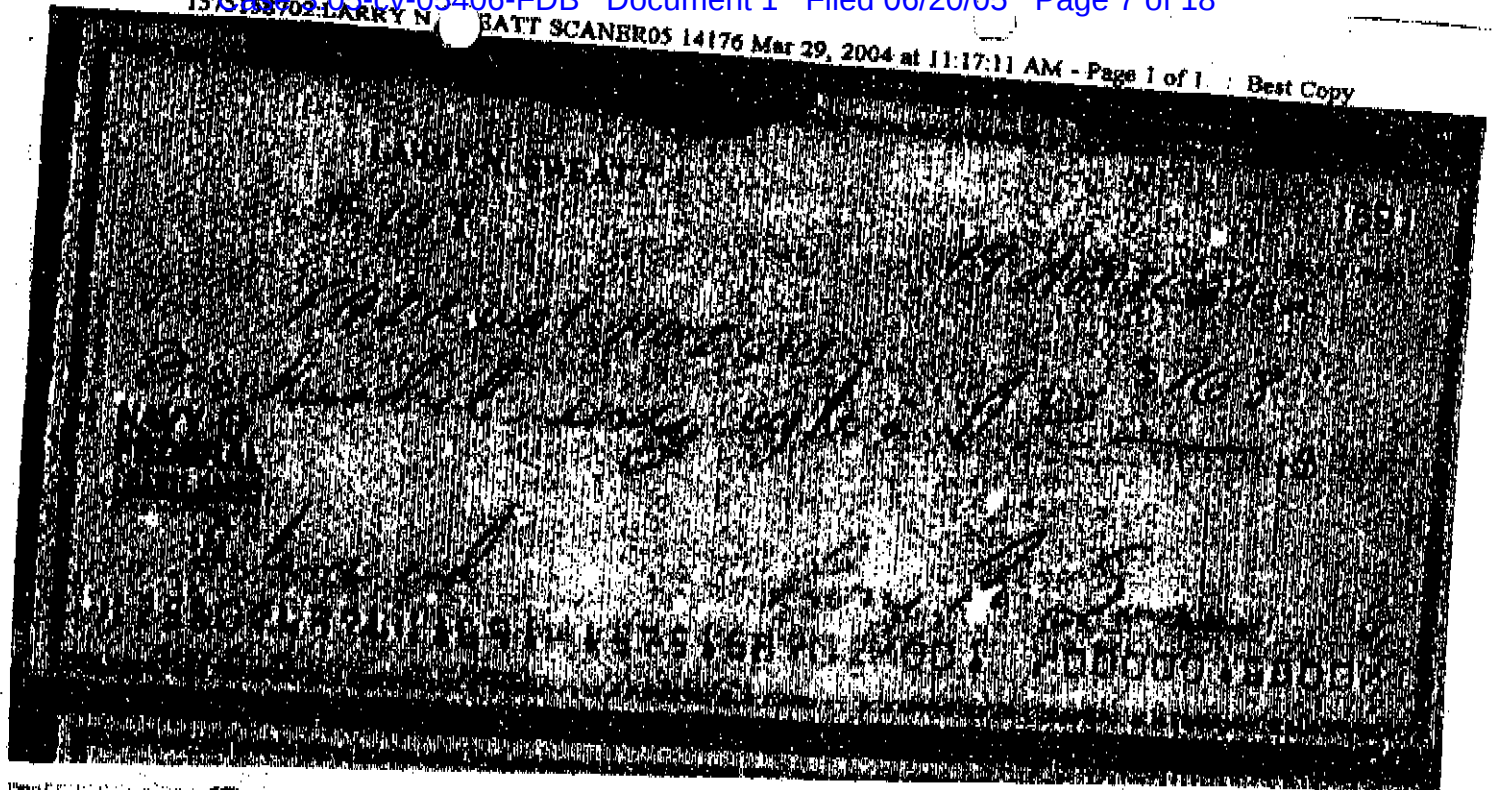
7 **DEMAND FOR JURY TRIAL**

8
9 Please take notice that Plaintiff requests a trial by jury in this matter.

10 
11 Keith D. Karnes, WSB # 35000
Attorney for Plaintiff

1575158702 LARRY N

BATT SCANSR05 14176 Mar 29, 2004 at 11:17:11 AM - Page 1 of 1 : Best Copy



LARRY N SWEATT
PO BOX 1312

BREMERTON WA 98337-0512

Account No. 1575158702

LARRY N SWEATT

Draft No. 1691

Paid Date 04/29/2002

Trace No. 0011117405

Fax/Phone#

Employee No. 10113

001

Roll 01007

Transcode 220

Work Type 01

BRE

EXHIBIT

A

PAGE

1 OF 1

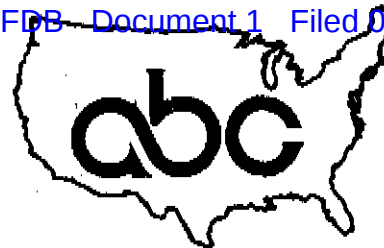
1213 S. PINES RD, SUITE E
SPOKANE, WA 99206-5428

RETURN SERVICE REQUESTED

MAR 23 2004

186828-1-8

LARRY N SWEATT
PO BOX 1312
BREMERTON WA 98337-0512



AMERICAN COLLECTORS
association member

Sunkidd Ventura, Inc. DBA
American Bonded Collection
TEL: 509-922-7312

RE: CRESTWOOD COSTRUCTION

ACCOUNT #: 186828

PRINCIPAL: US\$168.60

INTEREST: US\$39.30

TOTAL DUE: US\$207.90

INTEREST RATE: 12.000%

*** NOTICE OF ASSIGNMENT OF ACCOUNT ***

THIS OFFICE IS A DEBT COLLECTOR. THE ABOVE MENTIONED ACCOUNT HAS BEEN ASSIGNED TO THIS OFFICE FOR COLLECTION.

IT IS OUR POLICY TO LIST ALL ACCOUNTS WITH THE NATIONAL CREDIT BUREAUS, HOWEVER THAT POLICY MAY BE WAIVED IF THIS ACCOUNT IS PAID WITHIN 30 DAYS OF THE DATE OF THIS NOTICE.

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THIS DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE, THIS OFFICE WILL: OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

RETAIN UPPER PORTION FOR YOUR RECORDS. DETACH AND RETURN FORM BELOW WITH PAYMENT IN ENCLOSED ENVELOPE.

186828-8
LARRY N SWEATT

AMOUNT REMITTED \$. _____

AMERICAN BONDED COLLECTION INC.
1213 S. PINES RD, SUITE E
SPOKANE, WA 99206-5428



EXHIBIT B
PAGE 1 OF 1

Sunkidd Venture, Inc. d/b/a
AMERICAN BONDED COLLECTION
1213 S PINES RD STE E
SPOKANE WA 99206-5428
(509) 922-7312

APR 01 2004

186828-45-8
LARRY N SWEATT
PO BOX 1312
BREMERTON WA 98337-0512

FOLLOWING IS A BREAKDOWN OF YOUR BALANCE DUE OF \$208.40:

THIS OFFICE IS A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

<u>ACCOUNT NUMBER</u>	<u>REFERRING CREDITOR</u>	<u>CURRENT BALANCE</u>	<u>INTEREST BALANCE</u>	<u>OTHER CHARGES</u>
186828	CRESTWOOD COSTRUCTION	208.40	39.80	0.00

April 7, 2004

American Bonded Collection Inc.
1213 S. Pines Rd. Suite E
Spokane, WA 99206-5428

Dear Sir or Mam,

Enclosed you will find a letter from Crestwood Construction concerning the account 186828 debt of \$168.60 with an interest of \$39.30 for a total of \$207.90 for cleaning and carpet repairs that was mistakenly believe to be delinquent. This debt of 168.60 was paid in April of 2002 (2 years ago). Crestwood Construction acknowledges that this account was paid in full. I ask that you adjust your records accordingly and give me a written confirmation of your action. Thank You.

Cordially,

Larry N. Sweatt
Larry N Sweatt

EXHIBIT D
PAGE 1 OF 2

CRESTWOOD CONSTRUCTION

Rental Management and Development

P.O. Box 99695

Tacoma, Washington 98499-0695

April 7, 2004

Larry Sweatt

P.O. Box 1312

Bremerton, WA 98337

RE: Rental account at Fairway Heights Apartments.

Dear Mr. Sweatt:

We have carefully reviewed our records and the balance due of \$168.60 for cleaning and ruining the carpet with bleach, had been paid.

Your account is paid in full.

Sincerely,



G. Duvall

General Manager

Fairway Heights Apartments

EXHIBIT

D

PAGE

2 OF 2

SUNKIDD VENTURE, INC., d/b/a
AMERICAN BONDED COLLECTION
1213 S PINES RD STE E
SPOKANE WA 99206-5428
509-922-7312

APR 12 2004

186828-40-8
LARRY N SWEATT
PO BOX 1312
BREMERTON WA 98337-0512

RE: ACCOUNT(S) AS LISTED BELOW
OUR ACCOUNT NUMBER: 186828
TOTAL DUE: \$208.90

THANK YOU FOR YOUR LETTER OF APRIL 7,
2004.

OUR FILE REGARDING THE MATTER REFERENCED
BELOW WAS CLOSED PURSUANT TO OUR CLIENT'S
REQUEST APRIL 6, 2004.

IF YOU HAVE ANY QUESTIONS OR IF I CAN BE OF ANY
FURTHER ASSISTANCE, PLEASE FEEL FREE TO CALL ME AT
509-922-7312 ext. 111.

THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY
INFORMATION OBTAINED MAY BE USED FOR THAT
PURPOSE.

THIS OFFICE IS A DEBT COLLECTOR.

JAY JOHNSON

CRESTWOOD COSTRUCTION 208.90

186828-8

EXHIBIT

PAGE 1 OF 1

*** 97DZ6075-047 ***

P.O. Box 6790

Fullerton, CA 92834

YOUR TRANSUNION FILE NUMBER: 97DZ6075

PAGE 1 OF 14

DATE THIS REPORT PRINTED: 07/22/2004

RETURN SERVICE REQUESTED

SOCIAL SECURITY NUMBER: XXX-XX-XXXX

BIRTH DATE: XXX-XX-XX

YOU HAVE BEEN IN OUR FILES SINCE: 03/1991

PHONE: XXX-XX-XXXX

CONSUMER REPORT FOR:

SWEATT, LARRY, NEAL

|||||

FORMER ADDRESSES REPORTED:

EMPLOYMENT DATA REPORTED:

DATE REPORTED: 05/1997

DATE REPORTED: 07/1994

SPECIAL NOTES: YOUR SOCIAL SECURITY NUMBER HAS BEEN MASKED FOR YOUR PROTECTION. YOU MAY REQUEST DISCLOSURE OF THE FULL NUMBER BY WRITING TO US AT THE ADDRESS FOUND AT THE END OF THIS REPORT. ALSO, ANY ITEM ON YOUR CREDIT REPORT THAT BEGINS WITH 'MED1' INDICATES MEDICAL INFORMATION. THE DATA FOLLOWING THIS WORD IS NOT DISPLAYED TO ANYONE BUT YOU.

YOUR CREDIT INFORMATION

THE FOLLOWING ACCOUNTS CONTAIN INFORMATION WHICH SOME CREDITORS MAY CONSIDER TO BE ADVERSE. ADVERSE ACCOUNT INFORMATION MAY GENERALLY BE REPORTED FOR 7 YEARS FROM THE DATE OF THE FIRST DELINQUENCY, DEPENDING ON YOUR STATE OF RESIDENCE. THE ADVERSE INFORMATION IN THESE ACCOUNTS HAS BEEN PRINTED IN >BRACKETS< FOR YOUR CONVENIENCE, TO HELP YOU UNDERSTAND YOUR REPORT. THEY ARE NOT BRACKETED THIS WAY FOR CREDITORS. (NOTE: THE ACCOUNT # MAY BE SCRAMBLED BY THE CREDITOR FOR YOUR PROTECTION).

>COLLECTION RECORD<

AMER BONDED PH#: (509) 922-7312

1213 S PINES RD, #E, SPOKANE, WA 99206-5428

ACCT# 186828

OPEN ACCOUNT

ACCT INFO DISPUTED BY CONSUMR

UPDATED 04/2004 BALANCE:

\$210

INDIVIDUAL ACCOUNT

PLACED 03/2004 MOST OWED:

\$169

CRESTWOOD CONSTRUCTION

>PAST DUE:

\$210<

STATUS AS OF 04/2004: UNRATED

THE FOLLOWING ACCOUNTS ARE REPORTED WITH NO ADVERSE INFORMATION

EXHIBIT

PAGE 1 OF 1



CREDIT FILE : July 28, 2004

Confirmation # 42100490496

Please address all future correspondence to:

www.investigate.equifax.com

Equifax Information Services LLC

P O Box 740256

Atlanta, GA 30348

Phone: (800) 270-3435

M - F 9:00am to 5:00pm in your time zone.

Name On File:

Larry Neal Sweat

Social Security

XXX-XX-XXXX

Current Address:

PO Box 1312, Bremerton, WA 98337

Previous Address(es):

[REDACTED]

Last Reported Employment:

[REDACTED]

Previous Employment(s):

[REDACTED]

In order to speak with a Customer Service Representative regarding the specific information contained in this credit file, you must call WITHIN 60 DAYS of the date of this credit file AND have a copy of this credit file along with the confirmation number.

American Bonded Collection; Collection Reported 04/2004; Assigned 03/2004; Client - Crestwood Construction; Amount - \$169; Status as of 04/2004 - Account Disputed; Date of 1st Delinquency 04/2002; Balance as of 04/2004 - \$210; Individual Account; Account # - 186628; Address: 1213 S PINES RD SPOKANE VALLEY WA 99208-5485; (509) 822-7312

Account Column Title Descriptions:

Account Number	Account Title Descriptions	Amount Past Due - The Amount Past Due as of the Date Reported
1: 30-59 Days Past Due	Date Acct. Opened - The Date that the credit grantor opened the account	Date of Last Payment - The Date of Last Payment
2: 60-89 Days Past Due	High Credit - The Highest Amount Charged	Actual Pay Amt - The Actual Amount of Last Payment
3: 90-119 Days Past Due	Credit Limit - The Highest Amount Permitted	Sched Pay Amt - The Requested Amount of Last Payment
4: 120-149 Days Past Due	Terms Duration - The Number of Installments or Payments	Date of Last Activity - The Date of the Last Account Activity
	Terms Frequency - The Scheduled Time Between Payments	Date Maj Delq Rptd - The Date the 1st Major Delinquency Was Reported
	Months Reviewed - The Number of Months Reviewed	Charge Off Amt - The Amount Charged Off by Creditor
	Activity Description - The Most Recent Account Activity	Deferred Pay Date - The 1st Payment Due Date for Deferred Loans
	Creditor Class - The Type of Company Reporting The Account	Balloon Pay Amt - The Amount of Final(Balloon) Payment
	Date Reported - The Month and Year of the Last Account Update	Balloon Pay Date - The Date of Final(Balloon) Payment
	Balance Amount - The Total Amount Owed as of the Date Reported	Date Closed - The Date the Account was Closed
		J: Voluntary Surrender
		K: Repossession
		L: Charge Off

Account Number	Date Opened	High Credit	Credit Limit	Terms Duration	Terms Frequency	Write Paid	Activity Description	Credit Classification
02/2003						16		

Current Status - Pays As Agreed; Type of Account - Revolving; Type of Loan - Credit Card; Whose Account - Individual Account;

Continued On Next Page)

UNIVERSAL DATA FORM

62-Pass
93-Past Due
04-Delete

This form has been approved for reporting or updating account information.

☐ New
☒ Delete

☐ Change

If Change makes trade current, is previous delinquent history
to be deleted? ☐ Yes ☐ No

(Do not include security passwords with codes below.)

Subscriber Name: American Bonded Collection CCA Subscriber Code: _____Subscriber Address: 1213 S. Pines Road

EQUIFAX Subscriber Code: _____

Experian Subscriber Code: _____

Spokane, WA 99206

TU Subscriber Code: _____

CONSUMER INFORMATION

Surname <u>Sweath</u>		First <u>Larry</u>	M.I. <u>N</u>	Suffix	SSN [REDACTED]	DOB/Age <u>..10/70</u>	
Current Address <u>PO Box 1312</u>				City <u>Bremerton</u>	State <u>WA</u>	Zip <u>98337</u>	
Previous Address				City	State	Zip	Telephone, if available
Current Employer Name			Occupation			City	State
Spouse Surname		First	M.I.	Suffix	SSN	DOB/Age	
Additional Spouse Information (Complete only if joint account)							
Spouse Address (if different)				City	State	Zip	
Spouse Employer Name			Occupation			City	State

CURRENT/HISTORICAL ACCOUNT INFORMATION (See tables on reverse side for codes.)

Account Number/Client Name		Date Open	Present Status			High Credit	Payment History Indicate whether:		Type Accr/MOP
			Date	Balance	Amount Past Due		<input type="checkbox"/> MOP History, or <input type="checkbox"/> No. of Payments Delinquent		
<u>186828</u>									
<u>Crestwood Construction</u>		<u>3/04</u>	<u>7/04</u>	<u>169.</u>	<u>/</u>				
Metro Status Code	Credit Limit	Terms/Amount	Date Last Payment	Maximum Delinquency		Closed Date	First Date of Delinquency**		
				Date	Amount	MOP			
<u>04 Delete</u>				<u>7/04</u>	<u>169.</u>		<u>4/02</u>		
Type of Loan/Collateral			Special Comments/Remarks				Historical Status		
							No. of Months	30 days	
							60 days	90 days	
			<u>Reported in Error</u>						

**Defined as first date of delinquency leading up to charge-off or collection status.
REQUIRED FOR LEGAL COMPLIANCE TO THE FAIR CREDIT REPORTING ACT.

☒ Automated ☐ Manual

When you submit this form, you certify that the information is accurate. You also certify that your automated and/or records have been adjusted to reflect any changes made.

PAGE 1 OF 1

Reason for deletion or status-change from adverse to favorable:

Authorized Signature: [Signature]Date: 7-28-04Please Print Name: Don ElyanTelephone: (509) 922-7312

LoanSource

Funding, LLC

5501 NE 109th Court, Suite L
Vancouver, WA 98662
Phone: 360-910-2337
Fax: 360-838-0357
www.loansource.info
randyw@loansource.info

Friday, July 30, 2004

Larry N. Sweatt

Re: Credit scores required for 95% purchase

Mr. Sweatt,

In order to qualify for a 95% purchase of a duplex you must have a credit score of 660 or above. Unfortunately your credit score of 643 does not qualify. Please notice the sheet I have sent which states the requirements. Please call if you have any questions.

Sincerely,



Randy Wegner / Loan Officer

EXHIBIT

I

PAGE

1 OF 3

PRIMARY RESIDENCE	PURCHASE and RATE / TERM			CASH-OUT REFINANCES (4)			
	LTV	CLTV (1)(2)	AMT	LTV	CLTV (1)(2)	AMT	C/O
1-4 UNITS, Condo's, PUD's	85%	100%	1,000K	85%	100%	1,000K	50K
				80%	100%	1,000K	100K
SECOND HOME	LTV	CLTV	AMT	LTV	CLTV	AMT	C/O
SFR, Condo's, PUD's	85%	100%	1,000K	85%	100%	1,000K	50K
				80%	100%	1,000K	100K
INVESTOR (3)	LTV	CLTV	AMT	LTV	CLTV	AMT	C/O
1-4 UNITS, Condo's, PUD's	85%	100%	1,000K	85%	100%	1,000K	50K
				80%	100%	1,000K	100K
CREDIT SCORE: Use the middle of 3 or the lower of 2 scores on each borrower	620 Minimum Score (3) Minimum credit score requirement = 680 The lowest score of all borrowers is used to qualify. Each borrower must have minimum of two scores. (4) On Owner Occupied loans with credit scores > 680 AND LTV/CLTV's < 90% the cash-out is unlimited.						
CREDIT HISTORY	Minimum of 24 mos. credit history on a minimum of 3 trade lines with activity on one account in past 12 mos. Trade lines that are derogatory can not be used to meet minimum credit history requirements. Credit report must be dated within 90 days of closing.						
MORTGAGE / RENTAL HISTORY	0 X 30 Days Late In The Last 12 Months. Moving history must be verified within 30 days of closing. Borrowers with no prior mortgage or rental history ok, except on investor.						
TITLE	The previous 24 month chain of title must be reviewed by the underwriter. Any changes in title must be adequately documented.						
REVOLVING & INSTALLMENT CREDIT CHARGE OFFS, COLLECTIONS, JUDGMENTS, REPOS, TAX LIENS, AND OTHER CREDIT RELATED ISSUES	Credit explanation letters are required for all derogatory credit in the last 24 months. All past due accounts must be brought current prior to or at closing. The borrowers over all credit in the last 12-24 months must demonstrate a willingness to repay. Serious or habitual delinquencies without a reasonable explanation and/or the re-establishment of good credit is not acceptable, regardless of available pricing adjustments for lower credit scores.						
BANKRUPTCY AND FORECLOSURE REQUIREMENTS	A bankruptcy must be discharged 2+ years and a foreclosure must have occurred 3+ years from application date with re-established credit. If the subject property is N/O the loan must be Full Doc with an established mortgage history.						
RESERVE	6 months reserves on investment properties LTV/CLTV's > 80% with MI and LTV/CLTV's < 80% require 2 months PITI on O/O and second homes LTV/CLTV's > 80% without MI require 3 mos. PITI for Full Doc, O/O and second homes; 6 mos. On all other Doc Types credit score >= 720, LTV <= 80% loan amount <= \$50K no reserves required; reserves can not come from proceeds						
BUSINESS FUNDS	Allowed for down payment and reserves						
SELLER CONCESSIONS	> 80% LTV/CLTV - 3% For Primary Residence and 2nd Home / 2% Investor < 80% LTV/CLTV - 6% For Primary Residence and 2nd Home / 3% on Investor < 75% LTV/CLTV - 8% For Primary Residence and 2nd Home / 2% on Investor						
PAYMENT SHOCK	Considered in underwriting decision						
GIFT FUNDS	5% For LTV's from 80.01% TO 95% and No Borrower Contribution For < 80% LTV (Gift Funds NOT Allowed For Investment Properties)						
PREPAYMENT PENALTY	3 and 5 Year Prepayment Penalty Options Available (see rate sheet for price adj.)						
QUALIFYING RATIO	50%						
MORTGAGE INSURANCE	All loans of > 80% LTV must be priced as uninsured. All uninsured loans < 90.00% LTV must also have 2nd signature by our Contract Underwriter (see ulw guides). Refer to Mortgage Maker Insured for MI eligible loan program guidelines						
ESCROWS	Escrow waiver available on all LTV's for add'l 1/4 point fee						
LOAN TYPES	30 Yr. Fixed (20, 15 yr. terms available with exception, no price adjustment) and 3/28, 5/28 1:1 or adjustable						
APPRAISALS	One full appraisal for loans < \$450K. Two appraisals required for loans > \$450K. An enhanced desk review is required for loans with CLTV's 95.01%-100%. A Hansen Preview must be done on all Mtg Maker loans; see guides for details.						
DOCUMENTATION	Employment is Stated and Verified - income is Stated (Not Verified) Assets are Itemized and Verified - Escrows Deposits are Stated and Verified Liabilities are Itemized - Properties Owned are Stated						
INTERNAL OFFICE CODES	Lending Dept = ALT A, Credit Grade = ALT A Program Codes = MM 15YRFX, MM 30YRFX, MM 3/28, MM 5/28, MM 15/25 (indicate doc type and tier in second field)						
LOAN TO VALUE CALCULATIONS AND SEASONING REQUIREMENTS	LTV/CLTV's on a purchase use the appraised value or the purchase price whichever is lower Rate and Term Refi use the appraised value. An investor seasoned < 12 months use original purchase price seasoning Cash-out refi use appraised value and 12 months ownership seasoning is required A Junior lien < 12 months seasoned is considered cash-out and must be paid off or subordinated. (excluding purchase & home improvement junior liens) Construction/Perm financing LTV/CLTV's < 80% can be treated as a purchase or a refi; LTV/CLTV's > 80% use the lesser of the appraised value or the acquisition cost						
CONDOS	FNMA Type A, FNMA approved or warrantable, FHLMC Class III, or FNMA/FHLMC Limited Review are eligible						
NON - WARRANTABLE CONDO	Must have a Min 750 square feet, 10 units, 50% of all units, common areas and facilities within legal phase must be complete, and secondary finance is not permitted. LTV's over 80.00%: 51% Pre-sale, 60% owner occupied LTV's 80.00% under require Min. pre-sale of legal phases 33%. Owner occupancy must be 15% on Full, stated and No Ratio loans, 30% on No Doc.						
SUBORDINATE FINANCING	Subordinate financing is allow up to the maximum LTV/CLTV permitted (including seller held seconds). All seconds must conform to FNMA guidelines. (1) Loans with LTV's above 80.00% and CLTV's between 95.01%-100% are limited to SFR purchase primary residences. (2) No concurrent Third Mortgages allowed. See 610 MM Second Mortgage matrices for maximum CLTV's and minimum credit score requirements.						

LoanSource

Funding, LLC

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Vancouver, WA 98662
Phone: 360-910-2337
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www.loansource.info
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Wednesday, August 04, 2004

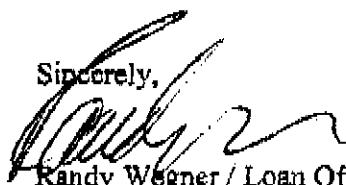
Neal Sweatt

Re; Loan rate determination

Neal,

Per our discussion, your FICO score currently does not allow you to obtain the best rates. In order to gain a higher rate your scores would have to be 700 or better. At that point your rate for a cash out refi would have been 6.625 versus the 7.125 you currently can receive. The difference this would have made over the life of the loan would have been a savings of \$12,507.80 in interest. I hope this answers your questions and if I can be of any further service, please let me know.

Sincerely,



Randy Wegner / Loan Officer

EXHIBIT I

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